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FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 8764
INFO RUEHDE/AMCONSUL DUBAI 6988

C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 000620

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STATE FOR NEA/ARP

E.O. 12958: DECL: 04/16/2017 TAGS: <u>PGOV KDEM ETTC AE</u>

SUBJECT: FEDERAL NATIONAL COUNCIL (FNC) SPEAKER DISCUSSES

FNC AGENDA, GOALS

Classified By: AMBASSADOR MICHELE J. SISON, REASONS 1.4 (B) AND (D).

11. (C) Summary: On April 12 Ambassador and Poloff called on the Speaker of the Federal National Council (FNC), Abdul Aziz Al-Ghurair, who is also the CEO of the largest private bank in the UAE, at his offices in Dubai. The Speaker described the UAE's path to democracy and full elections of the FNC, saying that the process is too important to be rushed but that the rulers would be ready "as soon as the people are." He described the UAE's legislative process and said that this partially-elected FNC is already acting "more independently" than any FNC in the past, and members are looking to become "opinion makers" in the UAE. Speaking about upcoming agenda items, Al-Ghurair said that the FNC had been asked to expedite discussion on the export control law and that the draft law had already cleared committee and was scheduled to be debated at the next FNC meeting April 24. End Summary.

Path to Democracy

2.(C) Al-Ghurair stated that although it has been announced that the FNC will progress to full elections in approximately five years, it may take considerably longer. He said that the UAE needs to "raise a generation prepared to participate in a democracy" and that this could take some time. Pointing to the open majlis system in which citizens have had direct access to their rulers for hundreds of years, he said that Emiratis have a long tradition of government participation but that as the country grows and problems become more complex and sophisticated "we need to develop a more sophisticated democratic system," and this may take some time to get right. "You have to be very careful," he said.
"Democracy is not like a building facade or carpet that can be changed if you don't like it -- it has to be done right the first time." Explaining that the limited or "guided" election of one-half of the FNC last year was only a first step, Al-Ghurair said that the democratic reforms being discussed are merely attempts to "create a new culture of democracy" -- not actually a strong movement towards democracy. He went on to say that the FNC's focus is on social and economic issues, not reform, and that the UAE's rulers are ready to implement more direct democracy once the society is ready and the institutions are in place.

New FNC Asserts Itself

13. (C) Al-Ghurair described the UAE legislative process, noting differences from past practices. Although at this time the FNC is still a consultative body and cannot initiate legislation, Al-Ghurair stated that the FNC can, and has already this year, suggested legislation to the Cabinet. He explained that all legislation begins in the Cabinet where it is assigned to a specific ministry to be drafted prior to being approved by a technical committee. The Cabinet then forwards the proposed legislation to the FNC where it is assigned to another committee. The FNC committee may redraft

the legislation and send it back to the Cabinet for consideration or may send it to the floor for debate before the entire FNC. Al-Ghurair stated that the FNC may solicit public opinion at any time, and may suggest changes and send the proposal back to the Cabinet or can forward it to the Supreme Council for final approval. Minister of State for FNC Affairs Anwar Ghargash confirmed to Ambassador on April 15 that all FNC floor debates are open to the public.

- 14. (C) Al-Ghurair said that despite its inability to initiate legislation the FNC has considerable autonomy and dictates its own budget, a practice he said they plan to put to the test. He further stated that the State Auditor reports to the FNC and provides a financial audit of all the ministries, and that the FNC can call on any Minister to appear before the Council during any policy debate -- a right that the FNC has already exercised this session. He said that the FNC is currently pursuing a plan to build a communications/PR center where information can be disseminated to the press and the public alike. "We want to become opinion makers," he stated. Ambassador inquired about the status of the draft export control law. Al-Ghurair replied that it had already come out of committee and is scheduled for floor debate at the FNC's next meeting April 24. FNC Affairs MinState Ghargash told Ambassador that the draft legislation had been purposefully expedited in order to get it to the floor as quickly as possible.
- 15. (C) Comment: We will continue to watch for signs of increased FNC independence. However, MinState Ghargash told Ambassador April 15 that the UAE leadership's goal was "greater public participation" not "democracy." Still, the UAE media's extensive coverage of the new FNC session's first two meetings is going to spur increased public interest in

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moves to open the UAE's political space. End Comment.

16. (C) Bio Note: Al-Ghurair graduated with honors in Industrial Engineering from California State Polytechnic University (approximately 1976). He became Executive Director of Mashreq Bank in 1989 and CEO in 1991. His son is currently a sophomore at San Diego State University and is studying business.